

Kennecott Utah Copper Corporation
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Paula H. Doughty
Director, Environmental Affairs



January 27, 2005

CERTIFIED MAIL

Mr. Daron Haddock, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
JAN 31 2005
DIV. OF OIL, GAS & MINING

Subject: Annual Reports for 2004, Kennecott Utah Copper Corporation

Dear Mr. Haddock,

Enclosed are the completed annual reclamation report forms for the following Kennecott Utah Copper Corporation (KUCC) DOGM permits:

M/035/002	Bingham Pit and UCD Modernization (Active)
M/035/011	4 th Line / Copperton Concentrator (Active)
M/035/015	North Impoundment / Saltair / Tailings (Active)
M/035/004	Pine Canyon Reclamation Project (Inactive)

As in previous year's reports, all disturbed and reclaimed acreage on the Magna Tailings Impoundment are reported under permit number M/035/002. Approximately 143 acres of previously rehabilitated land was re-disturbed due to soils removal by Kennecott Land Company (KLC) within the M/035/002 permit boundary. This land is being prepared for residential development and will be considered reclaimed after activities have been completed.

In 2004, KUCC spent approximately \$1,744,000 dollars on reclamation activities within the boundaries of permit M/035/002. After correcting for inflation, this equates to \$734,747 spent in 1978 dollars using the GDP deflator inflation calculator. This far exceeds the requirements of permit M/035/002 "to expend a minimum average, excluding salaries, but not operating wages, of \$50,000 – 1978 dollars per year for each

three (3) year period, in maintaining a program of experimentation and in the application of the best available technology toward rehabilitation of land associated with or affected by mining or processing operations." The total cost includes purchase of seed, fertilizer, limestone, surface preparation, operating wages, rental of equipment, as well as costs associated with KUCC's experimental program. This number only includes reclamation at the KUCC tailings impoundment and mine and does not account for costs associated with KLC soil removal activities.

If you have any questions about these annual reports, please contact me at 569-7120.

Sincerely,


Paula Doughty,
Director, Environmental Affairs